

May 08, 2011

As a previous AT&T customer who fell victim to the loss of service and coverage from the Cingular merger in 2004, I am very concerned about AT&T's proposed merger with T-Mobile and want the merger to be blocked.

As a legacy AT&T wireless customer, I was a "blue phone" user when the merger took place. We were assured our existing service "wouldn't change" as a result of the merger but that "better service" would be offered to the "orange phone" customers of Cingular. While my rates and billing did not see a significant change, the coverage of the "blue phone" network diminished significantly and rapidly, coverage at my home went from very good to almost nil in a matter of six months. When I called to complain, I was put through an aggressive upsell process to "convert" my account to an "orange" account. This would entail a new contract, a commitment extension, a significant rate increase, and having to pay for a new pair of phones for my wife and myself. I suffered through with degraded service until the end of my contract in order to be able to switch out to T-Mobile as a result of this. I've been a T-Mobile customer ever since.

In looking at the current proposal, T-Mobile is actually giving no assurances that existing T-Mobile customers will continue to have equal to existing coverage, and in fact is saying they are going to actively and aggressively deploy an overlapping 4G data network using T-Mobile's spectrum as a part of this process. Unfortunately, it appears that this spectrum change will occur regardless of whether the merger is allowed to happen or not. It looks like many of the issues that plagued consumers in 2004 with the Cingular merger are likely to repeat themselves all over again. While Cingular was the bigger, more expensive service with worse customer service "merging" with a smaller rival in 2004, AT&T is now the bigger, more expensive carrier with worse customer service that is "merging" with a smaller rival in 2011. I think the results are clearly predictable based on AT&T/Cingular's merger history. The results are likely to be worse customer service, higher rates, and a cannibalizing of the existing smaller rival's "legacy" network that will leave many consumers on the hook for contract cancellation fees while receiving declining coverage and those who are currently customers of T-Mobile are those who have the most to lose.

While I would prefer an outright rejection of allowing these companies to merge, the concessions that I, as a consumer, would like to see if this proposal is allowed to proceed is an immediate release from existing contracts as soon as AT&T modifies any part of T-Mobile's existing network, including the provisions regarding sharing of spectrum in the 4G data deployment, retiring of cell towers, or any other provision that has a negative impact on either billing OR coverage. In the current marketplace, it is very difficult to get a reasonable deal on a phone or service plan without taking on a two year contract, meaning people with equipment purchased prior to the "merger" may find that they are stuck in a dead end situation for much longer than the one year contracts that were customary in 2004 when Cingular and AT&T merged.